

AMENDED IN SENATE JULY 20, 1998

AMENDED IN SENATE JULY 8, 1998

AMENDED IN ASSEMBLY APRIL 15, 1998

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 2771

**Introduced by Committee on Consumer Protection,
Governmental Efficiency and Economic Development
(Davis (Chair), Figueroa, Machado, Napolitano, Runner,
Strom-Martin, and Takasugi)**

March 2, 1998

An act to amend Sections 5081.1 and 5084 of, to add Section 5082.4 to, and to repeal and add Section 5082.3 of, the Business and Professions Code, and to amend Section 912.8 of the Government Code, relating to state administration.

LEGISLATIVE COUNSEL'S DIGEST

AB 2771, as amended, Committee on Consumer Protection, Governmental Efficiency and Economic Development. Accountancy: education: examination: claims against the state.

Existing law provides that an applicant for admission to the examination for a certified public accountant certificate shall comply with certain educational and experience requirements.

This bill would authorize the applicant, as a part of complying with the educational requirement, to possess a degree or degrees from an educational institution located

outside of the United States that is equivalent to a baccalaureate degree from an accredited institution in the United States. It would require the Board of Accountancy to adopt regulations specifying the criteria and procedures for approval of credential evaluation services, as specified.

Existing law requires the board to grant a one-year credit toward fulfillment of a public accounting experience requirement to a graduate of a college who has completed a 4-year course with 30 or more semester hours in the study of specific subjects, of which 20 semester hours are in the study of accounting.

This bill would revise the experience requirement by increasing the requirement relating to education to 45 or more semester units in the study of specific subjects, of which 20 semester units are in the study of accounting.

Existing law provides that a Canadian Chartered Accountant in good standing shall be deemed to have met certain examination requirements, as specified.

This bill would additionally set forth, with respect to any foreign applicant, certain requirements by which a certified public accountant may be deemed by the board to have met the examination requirements.

Existing law, with respect to claims against the state, authorizes the State Board of Control to permit a state agency to settle and pay certain claims, but prohibits the State Board of Control from authorizing an employee to allow, compromise, or settle a claim.

This bill would delete that prohibition.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 5081.1 of the Business and
- 2 Professions Code is amended to read:
- 3 5081.1. An applicant for admission to the examination
- 4 for a certified public accountant certificate shall comply
- 5 with one of the following:
- 6 (a) He or she shall present satisfactory evidence that
- 7 he or she has either of the following:



1 (1) A baccalaureate degree from a university, college
2 or other four-year institution of learning accredited by a
3 regional or national accrediting agency or association
4 included in a list of these agencies or associations
5 published by the United States Commissioner of
6 Education under the requirements of Section 253 of the
7 Veterans' Readjustment Assistance Act of 1952, known as
8 Public Law 550 of the 82nd Congress, as amended, with
9 a major in accounting or related subjects requiring a
10 minimum of 45 semester units of instruction in these
11 subjects. If the applicant has received a baccalaureate
12 degree in a nonaccounting major, the applicant shall
13 present satisfactory evidence of study substantially the
14 equivalent of an accounting major, including courses in
15 related business administration subjects.

16 (2) A degree or degrees from a college, university, or
17 other institution of learning located outside the United
18 States that is approved by the board as the equivalent of
19 the baccalaureate degree described in paragraph (1).
20 The board may require an applicant under this paragraph
21 to submit documentation of his or her education to a
22 credentials evaluation service approved by the board for
23 evaluation and to cause the results of this evaluation to be
24 reported to the board. The board shall adopt regulations
25 specifying the criteria and procedures for approval of
26 credential evaluation services. These regulations shall, at
27 a minimum, require that the credential evaluation
28 service (A) furnish evaluations directly to the board; (B)
29 furnish evaluations written in English; (C) be a member
30 of the American Association of Collegiate Registrars and
31 Admission Officers, the National Association of Foreign
32 Student Affairs, or the National Association of Credential
33 Evaluation Services; (D) be used by accredited colleges
34 and universities; (E) be reevaluated by the board every
35 five years; (F) maintain a complete set of reference
36 materials as specified by the board; (G) base evaluations
37 only upon authentic, original transcripts and degrees and
38 have a written procedure for identifying fraudulent
39 transcripts; (H) include in the ~~valuation~~ *evaluation*
40 report, for each degree held by the applicant, the

1 equivalent degree offered in the United States, the date
2 the degree was granted, the institution granting the
3 degree, an English translation of the course titles, and the
4 semester unit equivalence for each of the courses; (I)
5 have an appeal procedure for ~~applicants'~~ *applicants*; and
6 (J) furnish the board with information concerning the
7 credential evaluation service that includes biographical
8 information on evaluators and translators, three letters of
9 references from public or private agencies, statistical
10 information on the number of applications processed
11 annually for the past five years, and any additional
12 information the board may require in order to ascertain
13 that the credential evaluation service meets the
14 standards set forth in this paragraph and in any
15 regulations adopted by the board.

16 (b) He or she shall present satisfactory evidence that
17 he or she has successfully completed a two-year course of
18 study at college grade or received an associate in arts
19 degree from a junior college, either institution accredited
20 by a regional or national accrediting agency or association
21 that is included in a list published by the United States
22 Commissioner of Education under the provisions of
23 federal law specified in paragraph (1) of subdivision (a),
24 and that he or she has studied accounting and related
25 business administration subjects for a period of at least
26 four years.

27 (c) The applicant shall show to the satisfaction of the
28 board that he or she has had the equivalent of the
29 educational qualifications required by subdivision (b), or
30 shall pass a preliminary written examination approved
31 and administered by an agency approved by the
32 California State Department of Education and shall have
33 completed a minimum of 10 semester units or the
34 equivalent in accounting subjects. The 10 semester units
35 in accounting subjects shall be completed at a college,
36 university, or other institution of higher learning
37 accredited at the college level by an agency or association
38 that is included in a list published by the United States
39 Commissioner of Education under the federal law
40 specified in paragraph (1) of subdivision (a).

(d) He or she shall be a public accountant registered under this chapter.

SEC. 2. Section 5082.3 of the Business and Professions Code is repealed.

SEC. 3. Section 5082.3 is added to the Business and Professions Code, to read:

5082.3. An applicant for a license as a certified public accountant may be deemed by the board to have met the examination requirements of Section 5082 if the applicant satisfies all of the following requirements:

(a) The applicant is licensed or has comparable authority under the laws of any country to engage in the practice of public accountancy.

(b) The International Qualifications Appraisal Board jointly established by the National Association of State Boards of Accountancy and the American Institute of Certified Public Accountants has determined that the standards under which the applicant was licensed or under which the applicant secured comparable authority meet its standards for admission to the International Uniform Certified Public Accountant Qualification Examination.

(c) The applicant has successfully passed the International Uniform Certified Public Accountant Qualification Examination referenced in subdivision (b).

SEC. 4. Section 5082.4 is added to the Business and Professions Code, to read:

5082.4. A Canadian Chartered Accountant in good standing may be deemed by the board to have met the examination requirements of Section 5082 if he or she has successfully passed the Canadian Chartered Accountant Uniform Certified Public Accountant Qualification Examination of the American Institute of Certified Public Accountants or the International Uniform Certified Public Accountant Qualification Examination referenced in subdivision (b) Section 5082.3.

SEC. 5. Section 5084 of the Business and Professions Code is amended to read:

5084. The board shall grant one year's credit toward fulfillment of its public accounting experience

1 requirement to a graduate of a college who has
2 completed a four-year course with 45 or more semester
3 units or the equivalent thereof in the study of accounting
4 and related business administration subjects, of which at
5 least 20 semester units or the equivalent thereof shall be
6 in the study of accounting.

7 The members of the board shall prescribe rules
8 establishing the character and variety of experience
9 necessary to fulfill the experience requirements set forth
10 in this section.

11 SEC. 6. Section 912.8 of the Government Code is
12 amended to read:

13 912.8. In the case of claims against the state, the board
14 shall act on claims in accordance with that procedure as
15 the board, by rule, may prescribe. It may hear evidence
16 for and against the claims and, with the approval of the
17 Governor, report to the Legislature those facts and
18 recommendations concerning the claims as it deems
19 proper. In making recommendations, the board may
20 state and use any official or personal knowledge which
21 any member may have touching any claim. The board
22 may authorize any employee of the state to perform the
23 functions of the board under this part as are prescribed
24 by the board.

